

By: Gallego

H.B. No. 340

A BILL TO BE ENTITLED

AN ACT

relating to net metering for retail electric service customers and compensation for excess electricity generated by a retail electric customer's on-site generator.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.922 to read as follows:

Sec. 39.922. NET METERING AND FAIR MARKET COMPENSATION OF ON-SITE ENERGY PRODUCTION FOR RETAIL CUSTOMERS. (a) In this section, "net metering service" has the meaning assigned by Section 111(d)(11) of the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Section 2621(d)(11)).

(b) Notwithstanding any other law, the commission by rule shall require an electric utility, retail electric provider, electric cooperative, or municipally owned utility to offer net metering service to all retail customers of the utility, provider, or cooperative. The rules must provide that a retail customer is entitled to compensation at fair market value for metered electricity produced by the customer's eligible on-site generating facility and delivered to the electric transmission grid.

(c) The commission by rule may establish standards an on-site generating facility must meet to be eligible for compensation under Subsection (b), including interconnection standards and standards for generating facility equipment. The

1 standards must be designed so that small-scale generators located
2 at residential and small business addresses are eligible for the
3 compensation.

4 SECTION 2. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2011.